

SECOND REGULAR SESSION

SENATE BILL NO. 748

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR VOGEL.

Pre-filed December 7, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

3374S.02I

AN ACT

To repeal sections 104.403 and 104.404, RSMo, and to enact in lieu thereof two new sections relating to state employee retirement incentive, with an emergency clause.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 104.403 and 104.404, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 104.403 and 104.404, to
3 read as follows:

104.403. 1. Any state employee [or retiree] who retires pursuant to
2 section 104.404, and who is also eligible for medical coverage as described in
3 section 103.115, RSMo, shall be eligible to apply for the following coverage:

4 (1) Such retiree may elect to continue coverage for himself or herself and
5 any eligible dependents at the same cost as if such retiree [was] **were** an active
6 employee;

7 (2) Such retiree may continue to pay the applicable rate as if the retiree
8 were an active employee for a maximum period of five years or upon becoming
9 eligible for Medicare, whichever occurs first; and

10 (3) After five years or upon becoming eligible for Medicare, the cost for
11 medical coverage for such retiree and any dependents shall revert to the
12 applicable rate in place at that time.

13 2. Any employee [or retiree] of a participating member agency who retires
14 pursuant to section 104.404 shall only be eligible to have the provisions of
15 subsection 1 of this section applied to his or her coverage if the governing body
16 of the participating member agency elects to provide such benefits.

17 3. The governing boards of Truman State University, Lincoln University,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 the educational institutions described in section 174.020, RSMo, the highway
19 commission that governs the health care plans of the Missouri department of
20 transportation and the Missouri state highway patrol, and the conservation
21 commission of the department of conservation may elect to provide its employees
22 or retirees who retire pursuant to section 104.404 the same benefits as described
23 in subsection 1 of this section under the respective medical plans of those
24 institutions and departments. [If the highway commission elects to provide
25 retirees the benefits of this section, any special consultant pursuant to section
26 104.515 who is a member of the Missouri department of transportation and
27 Missouri state highway patrol medical and life insurance plan and who retired
28 on or after February 1, 2003, but prior to July 1, 2003, shall be eligible to receive
29 the benefits of this section.]

104.404. 1. An employee **currently active on the effective date of**
2 **this act** who has not been a retiree of the system in which such employee is
3 currently receiving creditable or credited service, who is eligible to receive a
4 normal annuity pursuant to section 104.080, 104.090, 104.100, 104.271, or
5 104.400, or a life and any temporary annuity pursuant to section 104.1024, and
6 whose annuity commences [no later than September 1, 2003] **on or after May**
7 **15, 2006, but no later than August 15, 2006**, shall be eligible to receive the
8 medical benefits described in section 104.403.

9 2. [An employee who would be eligible to receive a normal annuity
10 pursuant to section 104.080, 104.090, 104.100, 104.271, or 104.400, or a life and
11 any temporary annuity pursuant to section 104.1024, no later than January 1,
12 2004, shall be eligible to retire based on the employee's creditable or credited
13 service and the average compensation or final average pay on the employee's date
14 of termination of employment if the employee applies to retire and whose annuity
15 commences no later than September 1, 2003. Such employee who so retires shall
16 be eligible to receive the medical benefits described in subsection 1 of this section.

17 3. Any employee described in subsections 1 and 2 of this section who
18 otherwise would be eligible to elect to receive benefits under the provisions of
19 sections 104.625 and 104.1024, by no later than January 1, 2004, shall be eligible
20 to elect to receive benefits pursuant to sections 104.625 and 104.1024; except that
21 in no event shall a lump sum payment be made for any time period after the
22 employee's annuity starting date.

23 4. A retiree whose retirement annuity commenced on or after February
24 1, 2003, but no later than September 1, 2003, shall be eligible to receive the

25 medical benefits described in section 104.403.

26 5.] The state may hire employees to replace those employees retiring
27 pursuant to this section and section 104.403, except that departments shall not
28 fill more than twenty-five percent of those positions vacated. Exceptions to the
29 twenty-five percent restriction may be made for critical or seasonal positions or
30 positions which are entirely federally funded. Such determination shall be made
31 by rule and regulation promulgated by the office of administration. The
32 provisions of this subsection shall not apply to Truman University, Lincoln
33 University or the educational institutions described in section 174.020, RSMo.

34 [6.] 3. Any rule or portion of a rule, as that term is defined in section
35 536.010, RSMo, that is created under the authority delegated in this section shall
36 become effective only if it complies with and is subject to all of the provisions of
37 chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and
38 chapter 536, RSMo, are nonseverable and if any of the powers vested with the
39 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective
40 date, or to disapprove and annul a rule are subsequently held unconstitutional,
41 then the grant of rulemaking authority and any rule proposed or adopted after
42 August 28, [2003] **2006**, shall be invalid and void.

43 [7. The Missouri state employees' retirement system and the highways
44 and transportation employees' and highway patrol retirement system shall make
45 a report in writing to the governor, commissioner of administration, and the
46 general assembly by April 1, 2004, and in addition shall provide monthly tracking
47 of the effect of state employee retirements pursuant to this section and section
48 104.403. The report shall cover the time period of February 1, 2003, to January
49 31, 2004. The report shall include the number of such retirements, the amount
50 of payroll affected as a result of retirements, and the financial effect of such
51 retirements as expressed in a report by each system's actuary.

52 8. The office of administration shall make a report in writing to the
53 governor and the general assembly by April 1, 2004, and in addition shall provide
54 monthly tracking of the budgetary effect of state employee retirements pursuant
55 to this section and section 104.403. The report shall include the amount of
56 payroll reduced as a result of such retirements, the number of positions that are
57 core cut as a result of such retirements, the number of employees employed to
58 replace those who retired pursuant to this section, and the financial effect on the
59 budget, including any costs associated with payment of medical premiums by the
60 state.

61 9. The Missouri consolidated health care plan shall make a report in
62 writing to the governor and the general assembly by April 1, 2004, and in
63 addition shall provide monthly tracking of the effect of state employee
64 retirements pursuant to this section and section 104.403. The report may
65 include, and not be limited to, the amount of payroll reduced as a result of such
66 retirements, the number of positions that are core cut as a result of such
67 retirements, the number of employees employed to replace those who retired
68 pursuant to this section, and the financial effect on the budget, including any
69 costs associated with payment of medical premiums by the state.]

70 **4. Any employee making an election under the provisions of this**
71 **section and section 104.403 shall be prohibited from any employment**
72 **with any department as defined in this chapter for a period of three**
73 **years from the date of election.**

 Section B. Because of the need to address the current fiscal crisis, section
2 A of this act is deemed necessary for the immediate preservation of the public
3 health, welfare, peace and safety, and is hereby declared to be an emergency act
4 within the meaning of the constitution, and section A of this act shall be in full
5 force and effect upon its passage and approval.

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